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AZ CORP COMMISSION  
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Arizona Corporation Commission

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FEB 15 2012

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Attorneys for Pima Utility Company

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION  
OF PIMA UTILITY COMPANY, AN  
ARIZONA CORPORATION, FOR  
AUTHORITY TO: (1) ISSUE EVIDENCE OF  
INDEBTEDNESS IN AN AMOUNT NOT TO  
EXCEED \$8,370,000 IN CONNECTION  
WITH (A) INFRASTRUCTURE  
IMPROVEMENTS TO THE UTILITY  
SYSTEM AND (B) THE PURCHASE OF  
EQUITY; AND (2) ENCUMBER REAL  
PROPERTY AND PLANT AS SECURITY  
FOR SUCH INDEBTEDNESS.

DOCKET NO: W-02199A-11-0403

IN THE MATTER OF THE APPLICATION  
OF PIMA UTILITY COMPANY, AN  
ARIZONA CORPORATION, FOR  
AUTHORITY TO: (1) ISSUE EVIDENCE OF  
INDEBTEDNESS IN AN AMOUNT NOT TO  
EXCEED \$8,370,000 IN CONNECTION  
WITH (A) INFRASTRUCTURE  
IMPROVEMENTS TO THE UTILITY  
SYSTEM AND (B) THE PURCHASE OF  
EQUITY; AND (2) ENCUMBER REAL  
PROPERTY AND PLANT AS SECURITY  
FOR SUCH INDEBTEDNESS.

DOCKET NO: SW-02199A-11-0404

RESPONSE TO STAFF REPORT

Applicant, Pima Utility Company ("Pima" or "Company"), hereby submits this  
Response to the Staff Report docketed on February 7, 2012. First, Pima does not take  
exception with the Staff Report, nor does Pima object to any of Staff's recommendations.

1 Second, Pima wishes to advise the Commission that Pima noticed its customers via  
2 publication on November 24, 2011, and has not received any comment or request for  
3 intervention. Pima therefore submits that a hearing in this matter is not necessary.

4 Third and finally, Pima thanks Staff for their timely issuance of their Staff Report  
5 and respectfully urges the Commission to act promptly on this matter. Company and  
6 counsel are well aware of the agency's strained resources. However, in this case, prompt  
7 approval inures to the direct benefit of ratepayers, who will benefit from the lower cost of  
8 capital in their rates. The Commission has encouraged utilities to use low cost debt in  
9 their capital planning and Pima has secured financing at today's historically low rates.  
10 Pima respectfully requests the Commission's expedited approval of this application so  
11 that these historically low rates can be used in the pending Pima rate case (consolidated  
12 Docket Nos. W-02199A-11-0329 and SW-02199A-11-0330) to reduce the utility's overall  
13 cost of capital and the rates charged to Pima's customers.

14 RESPECTFULLY SUBMITTED this 1<sup>st</sup> day of February, 2012.

15 FENNEMORE CRAIG, P.C.

16  
17 By \_\_\_\_\_

Jay A. Shapiro  
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21  
22 ORIGINAL and thirteen (13) copies of the  
23 foregoing were delivered  
this 1<sup>st</sup> day of February, 2012, to:

24 Docket Control  
25 Arizona Corporation Commission  
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26 Phoenix, AZ 85007

1 COPY of the foregoing delivered  
2 this 15<sup>th</sup> day of February, 2012, to:

3 Teena Jibilian, ALJ  
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19 By Maria San Jose

20 6749710/075040.0026